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# U.S. Announces Comprehensive Framework for Responsible Development of Digital Assets

by Stephen M. Anstey

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On September 16, 2022, the White House released a Fact Sheet outlining the “First-Ever Comprehensive Framework for Responsible Development of Digital Assets.” The framework addresses various topics related to both domestic and international U.S. digital assets (i.e., cryptocurrency, stablecoin, and central bank digital currency (CBDC)) development, including: protecting consumers, investors, and businesses; promoting access to safe, affordable financial services; fostering financial stability; advancing responsible innovation; reinforcing U.S. global financial leadership and competitiveness; fighting illicit finance; and exploring a U.S. CBDC.

The framework was developed pursuant to the Biden Administration’s March 9, 2022, Executive Order, “Ensuring Responsible Development of Digital Assets”, which required numerous federal agencies to submit reports and evaluations on digital assets regulation and administration. As noted in the Fact Sheet, nine federal agency reports were submitted responding to the Executive Order, and together “they articulate a clear framework for responsible digital asset development and pave the way for further action at home and abroad.” On the same day the Fact Sheet was published, Treasury released three of the referenced reports, which, respectively, address Sections 4, 5, and 7 of the Executive Order.

The framework and reports “call on agencies to promote innovation by kickstarting private-sector research and development and helping cutting-edge U.S. firms find footholds in global markets[,]” and “call for measures to mitigate the downside risks, like increased enforcement of existing laws and the creation of commonsense efficiency standards for cryptocurrency mining.” They also recognize “the potential benefits and risks” of a U.S. CBDC, discuss the relationship between digital assets and the Federal Reserve’s planned FedNow system (which will facilitate “instantaneous, 24/7 interbank clearing”) and “encourage the Federal Reserve to continue its ongoing CBDC research, experimentation, and evaluation.”

The framework notes that, in addition to and separate from developing the required reports, federal agencies and the Administration have “worked to protect consumers and ensure fair play in digital assets markets by issuing guidance, increasing enforcement resources, and aggressively pursuing fraudulent actors.”

The framework and reports, just as with the Executive Order that called for their creation, will play a significant role in shaping U.S. digital assets development. That said, both acknowledge that U.S. digital assets regulation development is an ongoing and iterative process that will continuously be shaped by public input as well as federal agency and legislative action.

If you have any questions regarding the development of digital assets regulation and policy, please do not hesitate to reach out to Stephen M. Anstey at sanstey@kilpatricktownsend.com.

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